East Stanislaus Regional Water Management Partnership
c/o City of Modesto
P.O. Box 642, Modesto, CA 95353

October 7, 2014

California Department of Water Resources
Division of Integrated Regional Water Management
Financial Assistance Branch
Post Office Box 942836
Sacramento, Ca 94236
Attn: Zaffar Eusuff

Dear Mr. Eusuff:

On Tuesday, September 23, 2014, the Department of Water Resources (DWR) announced the draft recommendations for funding awards for the 2014 Expedited Drought Grants and solicited comments on those awards. The East Stanislaus Regional Water Management Partnership (ESRWMP) hereby submits its comments on the recommended drought implementation grant awards.

The ESRWMP undertook preparation of an Integrated Regional Water Management Plan in 2010 to provide the Region with a comprehensive approach to integrated regional water management. In June 2014, its adopted IRWMP received approval from DWR that it meets all necessary requirements and guidelines. This was a significant milestone for the relatively new IRWM Region, which was approved during the 2009 Region Acceptance Process. The Region intends to implement projects included in its adopted IRWMP and has sought funds through the Expedited Drought Grant Solicitation.

After a careful review of DWR's evaluation of our most recent grant application, and with all due respect to the reviewers, we feel that our scores for the one question in the Proposal Level Evaluation and many questions in the Project Level Evaluation are not reflective of the content

of our proposal and would appreciate an opportunity for a second review of certain elements within it. We have prepared a written response, attached herewith, to the DWR review comments and respectively request that the Department review our response and consider adjusting the score for our application.

The Region is experiencing significant impacts due to the 2014 drought and is concerned what impacts it may encounter if the drought continues. The region is heavily dependent on groundwater, and recent groundwater studies have indicated that this supply is disappearing at alarming rates. It recognizes that something must be done in response to the drought and the only way to counteract these impacts is to implement drought preparedness projects, such as those included in its grant application. The Region has direct connection to two of the state's major rivers - the Tuolumne and San Joaquin Rivers, both of which feed into the Sacramento-San Joaquin Delta. Additionally, the groundwater levels in the Region are dropping and will continue to drop as groundwater is further relied upon during these drought conditions and agricultural lands expand. We are pursuing regional water management strategies that will integrate groundwater, surface water, and recycled water into opportunities for south of Delta water management programs that address water supply reliability, environmental stewardship, and water resource management in communities that are significantly disadvantaged.

We started the IRWMP process on our own, recognizing the importance of such planning, and have put in a significant effort to prepare the grant application because of the regional and statewide importance of the IRWM planning in our region. We are disappointed at the score we received and firmly believe that some of the scores are not justifiable as demonstrated in our response comments.

We request your sincere consideration of our response and a revision of our score.

Sincerely,

East Stanislaus Regional Water Management Partnership

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Jim Alves
Associate Civil Engineer
City of Modesto
East Stanislaus IRWM Project Manager

East Stanislaus Region 2014 IRWM Drought Grant Solicitation Application Evaluation Response Comments

The East Stanislaus Regional Water Management Partnership (ESRWMP) has comments on the evaluation of their 2014 IRWM Drought Grant Solicitation application. These comments are described below.

Proposal Level Evaluation

Score 1: A score of 0 was given for Question 2, 'Did the Project Proponent identify the mandatory or voluntary water conservation measures/restrictions that have been implemented due to the 2014 drought or any planned anticipated actions if drought or dry year conditions continue into 2015?'

Response 1: See pages 5 through 7 of Attachment 2 and the associated appendices for a description of the water conservation measures the Cities of Turlock, Modesto, Hughson, and Del Puerto Water District (the project proponents) have implemented due to the 2014 drought and additional conservation that may be required if the drought continues through 2015 and beyond.

Project Level Evaluation

New Hickman Community Well Project #1

Score 2: A score of 0 was given for Question 11, 'Is each physical benefit annualized over the lifecycle of the project?'

Response 2: The physical benefits for the project are annualized over the lifecycle of the project (2017 to 2065) on pages 7 and 8 of Attachment 3.

Score 3: A score of 0 was given to Question 12, 'Are the anticipated primary and secondary physical benefits of the project described and quantified?'

Response 3: As described on page 6 of Attachment 3, the primary physical benefit of the New Hickman Community Well Project is development of a new, clean, reliable water supply. The secondary physical benefit is drought preparedness. These were both quantified as the amount of water the new municipal water supply well would provide (600 gallons per minute).

Grayson Water System Efficiency Improvement Project #2

Score 4: A score of 0 was given for Question 14, 'Does the technical analysis support the claimed physical benefits?'

Response 4: The technical basis for each physical benefit for the Grayson Water System Efficiency Improvement Project is summarized on page 15 of Attachment 3. The benefits are then quantified and described in greater detail on pages 16 through 18. The City of Modesto estimates replacing old and leaking water mains in the disadvantaged community of Grayson will reduce water loss by 5% (or 9 AFY)

as referenced in the City of Modesto's *Water System Engineer's Report Evaluation of the Existing and Buildout Water System for the Grayson Outlying Service Area* (West Yost Associates, 2010).

South Modesto Infrastructure Efficiency Project #3

Score 5: A score of 0 was given for Question 14, 'Does the technical analysis support the claimed physical benefits?'

Response 5: As described on page 27 of Attachment 3, the project area has been identified as one of aging and failing infrastructure in the *2010 Water System Engineer's Report* (West Yost Associates, 2010). And while there are no data specific to the volume of water being lost from pipelines in the project area, because the pipes are of similar age and construction as those in the Grayson system, data from the Grayson system were used to estimated losses from this system. This method of comparative analysis is not uncommon in engineering and is a reasonable technical method for estimating system losses.

Landscape Irrigation Efficiency Program #5

Score 6: A score of 0 was given for Question 14, 'Does the technical analysis support the claimed physical benefits?'

Response 6: As described on page 38 of Attachment 3, the Landscape Irrigation Efficiency Program will reduce potable water use through the installation of automatic rain sensor controllers to improve irrigation efficiency in City parks. The physical benefits (water savings, energy savings, and avoided GHG emissions) are described and quantified on pages 42 through 45). The City of Turlock has implemented similar projects in other parks within the City. As described on page 45, the City collected irrigation water meter data before and after installation of the sensors/controllers in these parks and were able to estimate a water savings in gallons per irrigated acre. This number was applied to the proposed project. Energy and avoided GHG emissions were quantified resulting from the reduced groundwater pumped after project implementation. Electrical metering data was used to determine energy required to pump an acre-foot of groundwater. The technical basis for the physical benefits is strong including real data from similar projects the City has already implemented and actual electrical data for groundwater pumping.

Score 7: A score of 0 was given for Question 16, 'Does the applicant discuss the necessary tasks that will result in a completed project?'

Response 7: Tasks 1 through 12, the tasks required for implementation of the Landscape Irrigation Efficiency Program, are described on pages 9 and 10 of Attachment 4. Description of the tasks was kept brief due to the page limitations and with the assumption that upon conditional award, a detailed work summary for the projects would be provided to DWR.

Landscape Replacement Program #6

Score 8: A score of 0 was given for Question 14, 'Does the technical analysis support the claimed physical benefits?'

Response 8: The project physical benefits for the Landscape Replacement Program and the technical basis for said benefits are described on pages 49 through 53 of Attachment 3. Similar to the Landscape Irrigation Efficiency Program, in order to quantify and justify the benefits for this project, City records from similar projects and actual electrical data were relied upon, resulting in sound technical justification.

Score 9: A score of 0 was given for Question 15, 'Is the proposed project the least cost effective, if not, does the applicant sufficiently explain why it was selected instead of the least cost alternative?'

Response 9: As described on page 54, the Landscape Replacement Program is not the least cost alternative. Replacing existing turf landscaping solely with bark is less expensive than replacing it with drought-resistant landscaping as is proposed for the project. However, replacing turf with bark would not achieve the same benefits the Landscape Replacement Program would, including education and the creation of new habitat.

Score 10: A score of 0 was given for Question 16, 'Does the applicant discuss the necessary tasks that will result in a completed project?'

Response 10: Tasks 1 through 12, the tasks required for implementation of the Landscape Irrigation Efficiency Program, are described on pages 11 and 12 of Attachment 4. Description of the tasks was kept brief due to the page limitations and with the assumption that upon conditional award, a detailed work summary for the projects would be provided to DWR.

Potable Offset Project #7

Score 11: A score of 0 was given for Question 14, 'Does the technical analysis support the claimed physical benefits?'

Response 11: As described on page 55, the Potable Supply Offset Project will reduce potable water use by replacing potable water irrigation of City landscaping in Hughson with non-potable groundwater. As described on page 62, actual City data was used to estimate the amount of anticipated water and energy savings.

Score 12: A score of 0 was given for Question 15, 'Is the proposed project the least cost effective, if not, does the applicant sufficiently explain why it was selected instead of the least cost alternative?'

Response 12: As stated on page 63, based on the City's experience with its existing non-potable water system, expanding non-potable irrigation is the least cost alternative to quickly offset drought impacts to potable supplies. Alternative methods were not considered because the City of Hughson is already

implementing similar projects and knows it is cost-effective based on this past experience and are able to achieve projected benefits.

North Valley Regional Recycled Water Project #8

The North Valley Regional Recycled Water Project (NVRRWP) is an inter-regional project that was included in both the East Stanislaus Region grant application and the Westside-San Joaquin Region grant application. Out of the 17 questions in the Project Level Evaluation, six of the scores do not match between the two application evaluations. The exact same information was included in both applications (typically through copying/pasting to ensure consistency), so logically, the score should be the same for each question for this project. Below are the responses to the questions that not only received zeros in the East Stanislaus Region grant application when we believe they should have received full scores, but also responses regarding the differing scores for certain questions in the two applications.

Score 13: A score of zero was given for Question 1, 'Is a brief description of the project included?'

Response 13: According to the PSP, a project description 25 words or less and a more detailed description were required for inclusion in Attachment 3. Both of these items were included for the NVRRWP, therefore it should have received 1 points, not 0. See pages 64 of Attachment 3.

Score 14: For Question 11, 'Is each physical benefit annualized over the lifecycle of the project?' a score of 0 was given.

Response 14: In the Westside-San Joaquin Region grant application scoring evaluation, this question received full points (1 point) and it should have in the East Stanislaus application as well. Page 75 of Attachment 3 states that the NVRRWP has a 50-year project life. As shown on pages 68 to 72, primary and secondary benefits were annualized from 2017 to 2067.

Score 15: A score of 0 was given for Question 12, 'Are the anticipated primary and secondary benefits of the project described and quantified?'

Response 15: This question received full points (1 point) in the Westside-San Joaquin Region grant application and should have in the East Stanislaus Region application as well. The primary and secondary physical benefits are described and quantified on pages 68 to 72 of Attachment 3.

Score 16: The scores for Question 13, 'Is the level of technical analysis reasonable considering the size of the project and the type of physical benefits claimed?' do not match in both grant applications. A score of 1 was given in the East Stanislaus Region application and a score of 0 was given in the Westside-San Joaquin Region application.

Response 16: This question warrants a score of 1. No change is required in the East Stanislaus Region score, but the Westside-San Joaquin Region score should be adjusted to match East Stanislaus Region's. The NVRRWP and its physical benefits are strongly supported in sound technical documents as described on pages 72 to 75. A detailed Feasibility Study was prepared for the NVRRWP and referenced throughout the project and benefit description.

Score 17: The scores for Question 14, 'Does the technical analysis support the claimed physical benefits?' do not match in both grant applications. Full points (2 points) were given in the East Stanislaus Region application, while this question received 0 points in the Westside-San Joaquin Region application.

Response 17: There is no change required in the East Stanislaus Region score; however, the Westside-San Joaquin Region score for this question should be adjusted to 2 rather than 0.

Score 18: For Question 16, 'Does the applicant discuss the necessary tasks that will result in a completed project?' received 0 points in the East Stanislaus Region grant application.

Response 18: Full points were given in the Westside-San Joaquin Region application for this question and should have been in the East Stanislaus Region application. A work summary describing Tasks 1 through 12 is included in Attachment 4 (see pages 15 and 16). Due to page limitations, task descriptions were kept brief with the understanding that a more detailed work plan would be provided upon conditional awarding.

Score 19: For Question 21, 'Are the costs presented in the budget reasonable for the project type and the current stage of the project?' received different scores in the two applications. A score of 1 was given in the East Stanislaus Region grant application and a score of 0 was given in the Westside-San Joaquin Region application.

Response 19: A score of 1 should have been given in both applications. This would not require a change to the score in the East Stanislaus Region application; however, the score in the Westside-San Joaquin Region application for this question should be adjusted to match the East Stanislaus Region's score. The budget is reasonable for the current stage of the project. As described on page 17 of Attachment 5, the construction cost estimate was developed using construction cost curves based on historic bid results for similar projects within the region and a 30% contingency was applied to account for unknown and unspecific conditions. Other budget items were determined using hourly estimates and percentages typical for industry standards.